

House File 2171 - Introduced

HOUSE FILE 2171
BY BRANDENBURG

A BILL FOR

1 An Act placing limitations on fees imposed for failure to
2 redeem a gift certificate, and including an applicability
3 date provision.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 556.9, subsection 2, Code 2011, is
2 amended to read as follows:

3 2. An issuer of a gift certificate shall not deduct from
4 the face value of the gift certificate any charge imposed due
5 to the failure of the owner of the gift certificate to present
6 the gift certificate in a timely manner, for a period of three
7 years from the date of issuance. Thereafter, an issuer shall
8 not deduct any charge imposed due to the failure to present
9 the gift certificate in a timely manner unless a valid and
10 enforceable written contract exists between the issuer and the
11 owner of the gift certificate pursuant to which the issuer
12 regularly imposes such charges and does not regularly reverse
13 or otherwise cancel them. For purposes of this subsection,
14 "*gift certificate*" means a merchandise certificate or electronic
15 gift card conspicuously designated as a gift certificate or
16 electronic gift card, and generally purchased by a buyer for
17 use by a person other than the buyer.

18 Sec. 2. APPLICABILITY. This Act applies to gift
19 certificates issued on or after July 1, 2012.

20 EXPLANATION

21 This bill relates to amounts which the issuer of a gift
22 certificate may deduct from the face value of the certificate
23 based on the failure of the owner to present the certificate
24 for payment in a timely manner.

25 Currently, an amount may not be deducted unless a valid and
26 enforceable written contract exists between the issuer and the
27 owner of the gift certificate pursuant to which the issuer
28 regularly imposes charges for failure to present and does not
29 regularly reverse or otherwise cancel them. The bill makes
30 this provision applicable only after a three-year time frame
31 has elapsed from the date of issuance of the gift certificate,
32 for gift certificates issued on or after July 1, 2012. The
33 result is that no deduction is authorized from the face amount
34 of a gift certificate for the three-year period following
35 issuance for certificates issued on or after July 1, 2012.